



STATE OF VERMONT
OFFICE OF THE STATE TREASURER

Press Advisory Press Advisory Press Advisory

Spaulding and Other Officials Launch Effort to Empower Shareholders

When: Thursday, May 27, 2004 – 2 P.M. Sharp
Where: State Treasurer's Office, 2nd Floor, 133 State Street
For More Information, call 802-828-2301

Montpelier – State Treasurer Jeb Spaulding will join eight other state and city chief investment officers and pension fund officials this afternoon, including California Treasurer Phil Angelides and North Carolina Treasurer Richard Moore, in a telephone news conference calling on the federal Securities and Exchange Commission (SEC) to approve a rule allowing shareholders to directly nominate and elect candidates for corporate boards of directors.

According to Spaulding, "The election of directors is one of the most powerful ways that shareholders can influence the strategic direction of a company and protect their investment. However, the ability to exercise this influence is often just a dream, since the nomination process is controlled by the board itself. If we have learned anything from continuing corporate scandals, we should now realize the importance of independent, active, and accountable boards of directors. Allowing investors access to the company proxy card to nominate directors will improve the responsiveness and accountability of their boards of directors. This is clearly in the best interest of all investors."

Published reports, including an article in the *New York Times* on Monday, May 10, indicate that the SEC has come under intense pressure from business and some members of the Bush administration to water down the proposed rule change.

Spaulding and others will use this telephone news conference to launch a renewed national drive calling on the SEC to take action to restore investor trust and confidence in financial markets by approving a rule that is fair and not subject to abuse, but also which enables shareholders to place board nominees on the proxy ballot without unreasonable barriers.

The SEC proposed a draft rule for comment last fall. Treasurer Spaulding filed comments on October 17, 2003. The SEC is expected to act on the proposed rule in the near future.

The complete rule is posted at: <http://www.sec.gov/rules/proposed/34-48626.htm>

You may Join Treasurer Spaulding in his office for the telephone news conference, or you can call into 888-813-9023. The pass code is "Proxy."